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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In re)
)
Amendment of the Commission's Rules) WT Docket No. 97-82
Regarding Installment Payment)
Financing for Personal Communications)
Services ("PCS") Licensees)
Installment Payment Restructuring)

To: The Commission

REPLY COMMENTS OF ALPINE PCS, INC.

Alpine PCS, Inc. ("Alpine"), by its attorneys and pursuant to FCC Rule Section 1.415, replies to the comments submitted on or before November 13, 1997, to the Commission's *Second Report and Order and Further Notice of Proposed Rule Making*, FCC 97-342 (October 16, 1997) ("*Further Notice*") in the above-referenced proceeding, and shows the following.

1. In its comments on the *Further Notice*, Alpine made three points: (1) the Commission should adopt a multiplier methodology to evaluate new bidders on any C block re-auction so that in addition to previous C block bidders, only true small business entrepreneurs should be eligible to bid; (2) the Commission should not abandon installment payments for true small business entrepreneurs; and (3) the Commission should set the interest rate for installment payments at the 10 day average yield for the 10 year Treasury Note on the day the auction commences.

2. Review of the comments submitted largely confirms the efficacy of these three points, and thus there is no need to

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reargue them here.^{1/} One point raised by one of the commenting parties does merit a response, however.

3. Nextel argues the Commission should open the C block to "all qualified bidders," asserting that such a modification of the eligibility rules would facilitate prompt nationwide buildout of C block licenses. Alpine disagrees. While it is possible that adoption of Nextel's proposal may have some marginal effect on buildout -- although it is definitely not a certainty -- admitting all comers to the C block re-auction would amount to an abandonment of any pretense of using the C block as a vehicle for encouraging entrepreneurship. This is directly contrary to Congress's intent.

4. Moreover, it is way to late in the day to so radically alter the C block eligibility rules. Alpine emphasizes that if the Commission had given entrepreneurs and small businesses bidding credits and installment payment treatment in the A and B blocks, so that entrepreneurs could compete in those auctions, then allowing all comers in the C block auctions on the same basis might have been appropriate. That was not the scheme the Commission

^{1/} See, e.g., Comments of AirGate Wireless, L.L.C. (Suggests employing the installment payment plan adopted for the F block); Comments of Carolina PCS I Limited Partnership (Eliminating installment payments will devalue existing C Block licenses); Comments of DigiPH PCS, Inc. (Elimination of installment payments will devalue the collateral of existing licensees, jeopardizing their ability to finance their systems); Comments of Duluth PCS, Inc. (Elimination of installment payments is not consistent with participation in the auction by Designated Entities); Comments of MFIR, Inc. (seven percent rate imposed by FCC following auction, rather than the 10 year Note rate at the conclusion of the auction, served to increase substantially the net present value of auction bids to the detriment of bidders).

formulated, however, for the award of PCS broadband licenses. Changing the eligibility criteria now would simply be unfair to legitimate C block entrepreneurs who may now have a realistic chance to acquire spectrum following the return to the Commission of C block licenses as a result of the surrendering of that spectrum by the original unqualified bidders, or by those bidders' default.

5. As Alpine suggested in its comments, rather than allowing all comers to the C block re-auction, the Commission should take steps to ensure that only true entrepreneurs are now allowed entry with previous C block bidders into the re-auction.

Respectfully submitted,

ALPINE PCS, INC.

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